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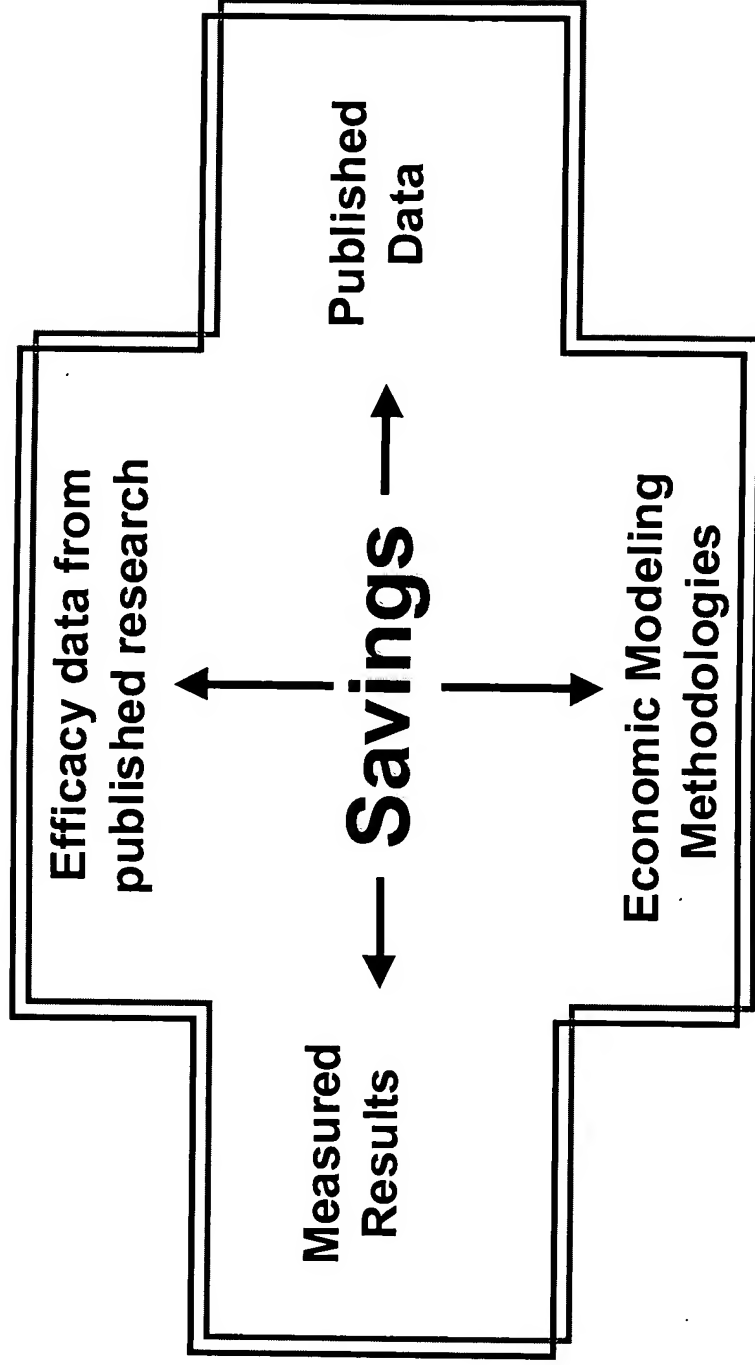


FIG. 1

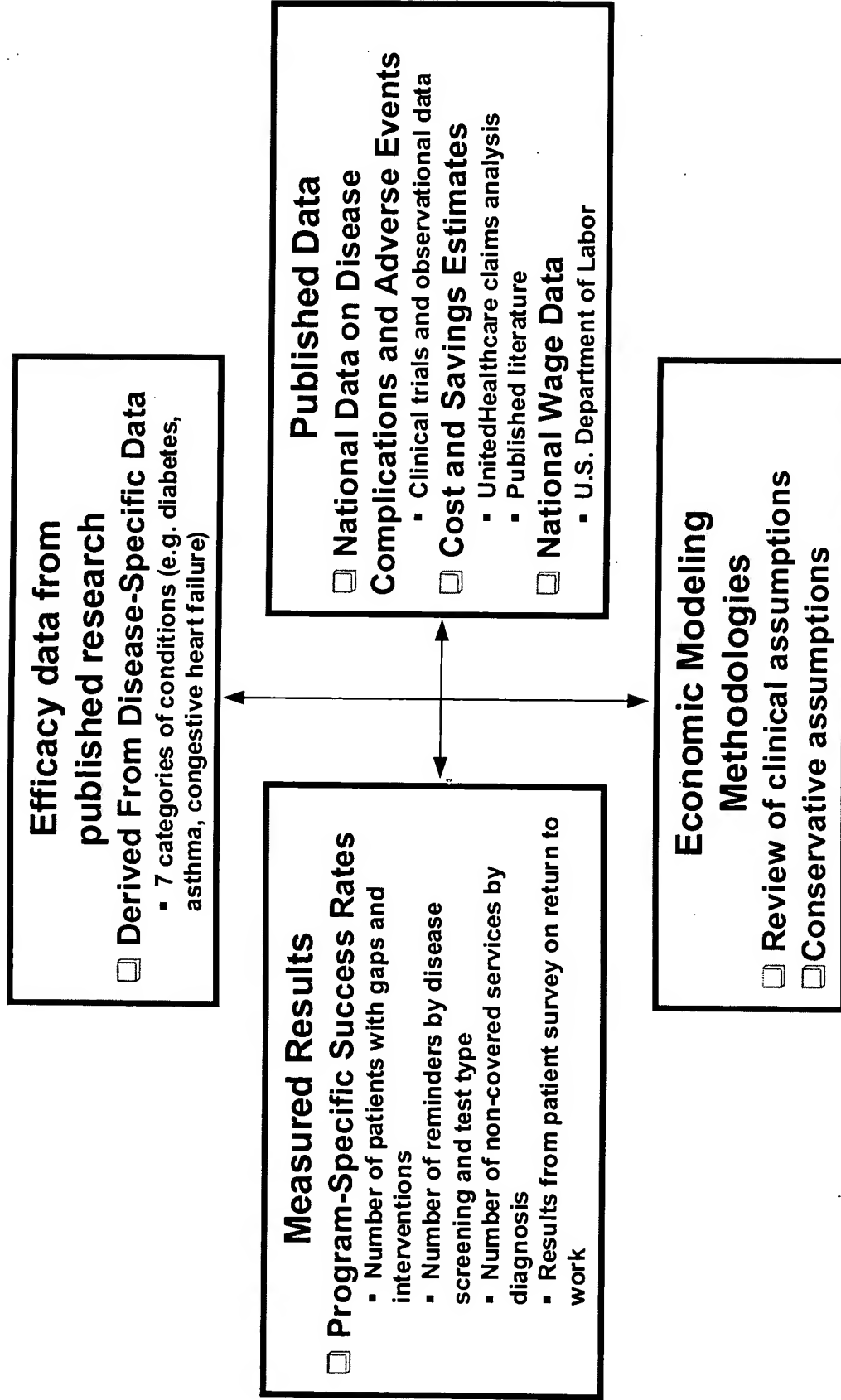


FIG. 2

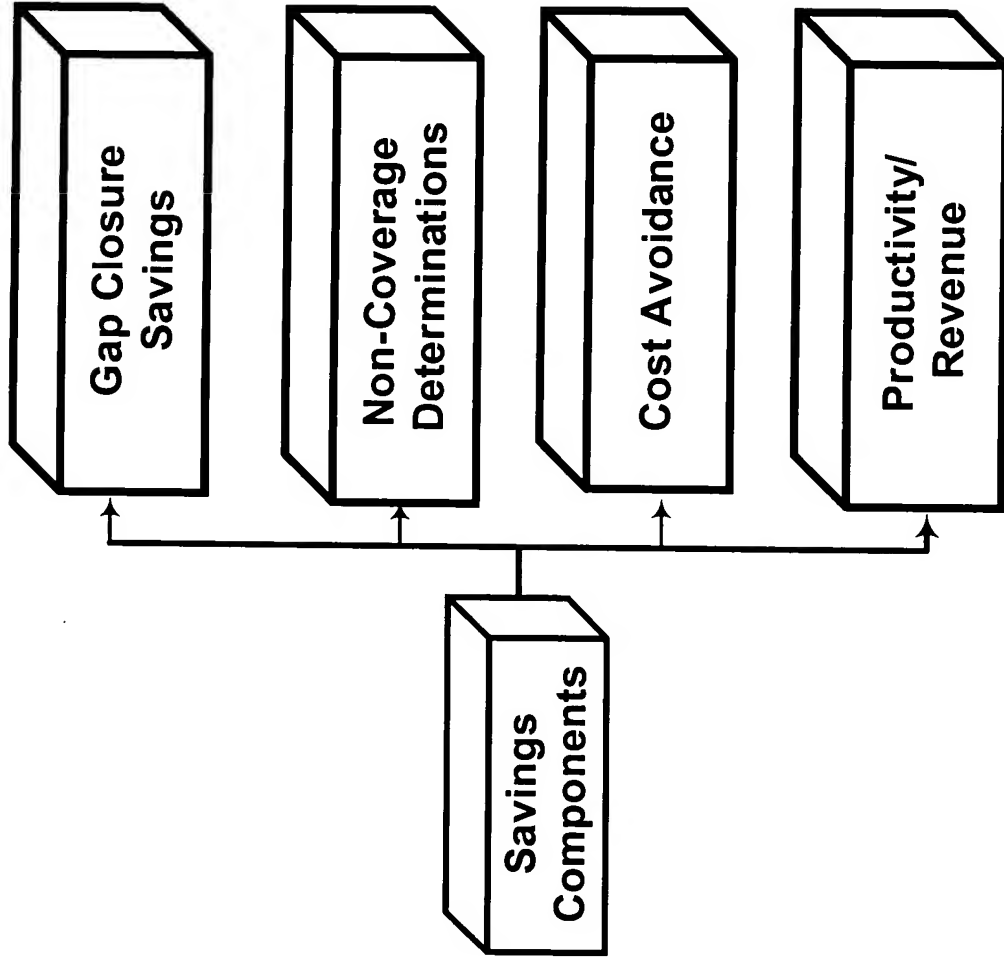


FIG. 3

Monthly Savings Estimates

Company Enrollees

16,000,000

GAP CLOSURE SAVINGS

	Annual Savings	PMPM Savings	Monthly Savings
Inpatient	\$ 483,090,813	\$ 2.52	\$ 40,257,568
Outpatient	\$ 24,336,738	\$ 0.13	\$ 2,028,062
			\$ 42,285,629

NON-COVERAGE DETERMINATION

	Non-Covered Services	Average Cost/Service	Monthly Savings
Benefit Exclusion	978	\$ 4,043	\$ 5,517,973
Clinical Evidence/Experimental	144	\$ 3,688	\$ 226,851
Durable Medical Equipment	62	\$ 3,705	\$ 183,910
Out of Network Services	20	\$ 5,938	\$ 71,304
Reconstructive/Cosmetic	182	\$ 4,366	\$ 884,613
Reimbursement Policy	27	\$ 3,966	\$ 161,046
Skilled vs. Custodial	34	\$ 4,825	\$ 345,151
	1,447		\$ 7,390,849

PREVENTION: LONG-TERM SAVINGS

	Number of Reminders	Annual Costs Avoided	Monthly Savings
Cervical Cancer Screening	525,192	\$ 13,293,961	\$ 1,107,830
Diabetes Screenings	119,463	\$ 27,416,690	\$ 2,284,724
Immunizations	20,390	\$ 1,953,722	\$ 162,810
Influenza Vaccine	292,943	\$ 97,130,422	\$ 8,094,202
Mammogram	405,754	\$ 69,664,920	\$ 5,805,410
	1,363,742		\$ 17,454,976

PRODUCTIVITY AND REVENUE

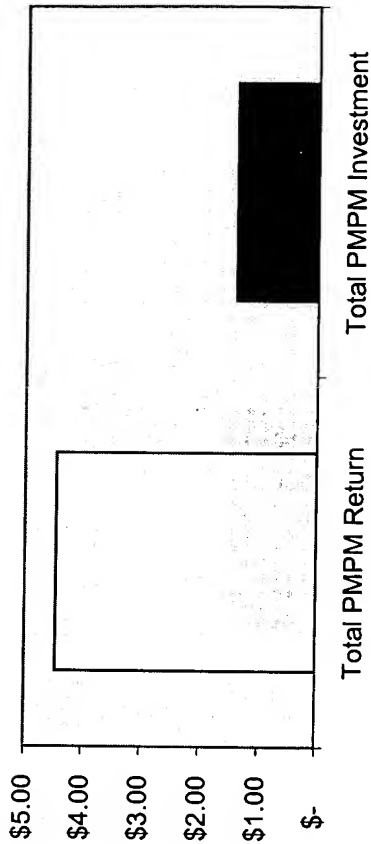
	Annual Hours Saved	Annual Savings	Monthly Savings
Productivity	934,109	\$ 20,279,506.68	\$ 1,689,959
Revenue Impact		\$ 30,419,260.02	\$ 2,534,938
			\$ 4,224,897
GRAND TOTAL		\$	\$ 71,356,351
GRAND TOTAL (PMPM)		\$	\$ 4.46

Fig. 4

# PMPM ROI

3:1

Total PMPM Return	\$	4.46
Total PMPM Investment	\$	1.40
Net PMPM Return	\$	3.06



## Program Characteristics

ENROLLEES	16,000,000
PATIENTS SERVED PER MONTH	
Short-Term Gap Closures	116,245
Long-Term Prevention	113,645
Non-Coverage Determinations	1,447
Productivity and Revenue	116,245
TOTAL SERVED*	347,583

\*duplicated count

## Program Returns

RETURNS PER MONTH		PMPM RETURN
Short-Term Gap Closures	\$ 42,285,629	\$ 2.64
Long-Term Prevention	\$ 17,454,976	\$ 1.09
Non-Coverage Determinations	\$ 7,390,849	\$ 0.46
Productivity and Revenue	\$ 4,224,897	\$ 0.26
TOTAL RETURN	\$ 71,356,351	\$ 4.46

## PMPM ROI

$$\frac{\text{Return}}{\text{Investment}} = 3.19$$

Fig. 5

Short-Term Gap Closures Summary					
Total Health Plan Enrollment		16,000,000			
Total Patients Served		116,245			
	Patients Served Annually	Savings by Service Type	Total Savings by Disease Area	Inpatient Savings by Disease Area	Outpatient Savings by Disease Area
<b>Asthma</b>	<b>2,270</b>				
Savings - Reduced IP Stays		\$ 15,513,620			
Savings - Reduced LOS		\$ 2,068,483			
Savings - Reduced OP Visits		\$ 1,001,580		\$ 17,582,102	\$ 1,001,580
			\$ 18,583,682		
<b>Chronic Renal Failure</b>	<b>862</b>				
Savings - Reduced IP Stays		\$ 2,447,872			
Savings - Reduced LOS		\$ 2,377,933			
Savings - Reduced OP Visits		\$ 1,134,160		\$ 4,825,804	\$ 1,134,160
			\$ 5,959,965		
<b>Congestive Heart Failure</b>	<b>3,072</b>				
Savings - Reduced IP Stays		\$ 4,096,311			
Savings - Reduced LOS		\$ 15,537,732			
Savings - Reduced OP Visits		\$ 212,643		\$ 19,634,043	\$ 212,643
			\$ 19,846,686		
<b>Diabetes</b>	<b>8,798</b>				
Savings - Reduced IP Stays		\$ 12,021,152			
Savings - Reduced LOS		\$ 3,606,345			
Savings - Reduced OP Visits		\$ 316,108		\$ 15,627,497	\$ 316,108
			\$ 15,943,605		
<b>Essential Hypertension</b>	<b>1,839</b>				
Savings - Reduced IP Stays		\$ 231,602			
Savings - Reduced LOS		\$ 231,602			
Savings - Reduced OP Visits		\$ 42,846		\$ 463,204	\$ 42,846
			\$ 506,050		
<b>HIV/AIDS</b>	<b>149</b>				
Savings - Reduced IP Stays		\$ 545,856			
Savings - Reduced LOS		\$ 682,320			
Savings - Reduced OP Visits		\$ 16,372		\$ 1,228,176	\$ 16,372
			\$ 1,244,548		
<b>All Other Conditions</b>	<b>99,255</b>				
Savings - Reduced IP Stays		\$ 211,864,993			
Savings - Reduced LOS		\$ 211,864,993			
Savings - Reduced OP Visits		\$ 21,613,029		\$ 423,729,987	\$ 21,613,029
			\$ 445,343,015		
<b>Total Annual Saving</b>		\$ 507,427,551		\$ 483,090,813	\$ 24,336,738
<b>Total Monthly Savings</b>		\$ 42,285,629		\$ 40,257,568	\$ 2,028,062
<b>PMPM Savings for Gap Closures</b>		\$ 2.64		\$ 2.52	\$ 0.13

Fig. 6

## CHRONIC RENAL FAILURE

Number of Chronic Renal Failure Patients Served Annually	862
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ASSUMPTIONS	Inpatient Stays	Inpatient Length of Stay (in days)	Outpatient Visits
Annual Rate of Event	0.3219	8.8000	12.8655
Average Cost Per Event	\$ 25,211	\$ 2,865	\$ 731
Decrease in Event Rate Due to Intervention	35.00%	34.00%	14.00%
<b>EVENTS AND COSTS IF NO INTERVENTION</b>			
Annual Number of Events	277.42	2,441.26	11,088.35
Annual Cost of Events	\$ 6,993,919	\$ 6,993,919	\$ 8,101,145
<b>EVENTS AND COSTS WITH INTERVENTION</b>			
New Rate of Events After Intervention	0.2092	5.8080	11.0643
Annual Number of Events After Intervention	180.32	1,611.23	9,535.98
Annual Cost of Events After Intervention	\$ 4,546,048	\$ 4,615,987	\$ 6,966,985
<b>SAVINGS FROM INTERVENTION</b>			
Annual Savings From Intervention by Category	\$ 2,447,872	2,377,932.55	\$ 1,134,160

FIG. 7



## HIV/AIDS

Number of HIV/AIDS Patients Served Annually	149
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ASSUMPTIONS	Inpatient Stays	Inpatient Length of Stay (in days)	Outpatient Visits
Annual Rate of Event	5.5220	10.1000	3.3765
Average Cost Per Event	\$ 16,549	\$ 1,638	\$ 191
Impact of Intervention (Decrease in Rate of Event)	4.00%	5.00%	17.00%
<b>EVENTS AND COSTS IF NO INTERVENTION</b>			
Annual Number of Events	824.62	8,328.62	504.22
Annual Cost of Events	\$ 13,646,395	\$ 13,646,395	\$ 96,307
<b>EVENTS AND COSTS WITH INTERVENTION</b>			
New Rate of Events After Intervention	5.3011	9.5950	2.8025
Annual Number of Events After Intervention	791.63	7,912.18	418.51
Annual Cost of Events After Intervention	\$ 13,100,539	\$ 12,964,075	\$ 79,935
<b>SAVINGS FROM INTERVENTION</b>			
Annual Savings From Intervention by Category	\$ 545,856	\$ 682,320	\$ 16,372

Fig. 8

# COST PER EVENT

	Asthma		Chronic Renal		Congestive Heart		Diabetes		Essential		HIV/AIDS		Other Conditions	
	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit	IP Stay	OP Visit
DEFAULT	\$ 4,861	\$ 146	\$ 25,211	\$ 731	\$ 10,955	\$ 312	\$ 7,814	\$ 164	\$ 3,439	\$ 77	\$ 16,549	\$ 191	\$ 6,855	\$ 240
American Heart Association, 2002;	*	*	*	*	\$ 8,480	..	*	*	*	*	*	*	*	*
American Heart Association; 2001	*	*	*	*	\$ 6,238	*	*	*	*	*	*	*	*	*
Cardiology Pre-Eminence Roundtable, 1994	*	*	*	*	\$ 6,238	*	*	*	*	*	*	*	*	*
HCUP Nationwide Inpatient Sample (NIS), 2000	\$6,879	*	\$ 25,211	*	\$17,831	*	\$7,326	*	*	*	*	*	*	*
Munoz, 1988	*	*	\$ 10,514	*	*	*	*	*	*	*	*	*	*	*
Insurance Company Patient By Condition Report, 2002Q2.	\$3,828	\$ 158	\$106,375	\$ 731	\$ 2,055	\$ 206	\$6,275	\$ 96	\$3,439	\$ 77	\$16,549	\$ 191	\$6,855	\$ 240
UnitedHealthcare Most Market Data, AHQR Q401	\$4,861	\$ 146	*	*	\$10,955	\$ 312	\$7,814	\$ 164	*	*	*	*	*	*
Wexler DJ,1995	*	*	*	*	\$ 8,230	*	*	*	*	*	*	*	*	*

719.9



Service	Average Cost Per Service	Data Source	Data Detail
Blepharoplasty	\$ 5,020	The American Society for Aesthetic Plastic Surgery, Cosmetic Surgery National Data Bank, 2001 Statistics Average retail estimate Average retail estimate Average retail estimate	Physician & surgeon fees from data source. Added approx. 50% to cost to account for facility/hospital, anesthesia and other associated costs. Confirmed with data presented as national statistics for 2001 on <a href="http://www.infoplasticsurgery.com/cost.html">www.infoplasticsurgery.com/cost.html</a> as well as fee schedules cited by other plastic surgery sites.
DME-large (e.g. hot tubs, lifts, beds)	\$ 4,500		
DME-other (cranial banding, standing frame, other)	\$ 2,500		
Formula and supplies	\$ 20		
Gastic restrictive/morbid obesity		For case of formula plus supplies	
	\$ 16,073	Insurance Company Data Most Market Data, AHQR Q401	Facility cost per admit of \$9644. For surgical, assumption of ratio of 60:40 facility to professional fees.
Home health care	\$ 819	Health Plan Trend Analysis, Insurance Company Most Markets - HMO/POS/PPPO Insured, 2001	Cost per unit=\$273; Average # of units=3 (Estimated. Real data to be entered when available.)
Hospitalization	\$ 11,099	Insurance Company data	
Insulin pump	\$ 4,900	Average retail estimate	
			Physician & surgeon fees from data source. Added approx. 50% to cost to account for facility/hospital, anesthesia and other associated costs. Confirmed with data presented as national statistics for 2001 on <a href="http://www.infoplasticsurgery.com/cost.html">www.infoplasticsurgery.com/cost.html</a> as well as fee schedules cited by other plastic surgery sites.
Liposuction, lipectomy (abdominoplasty)	\$ 6,875	The American Society for Aesthetic Plastic Surgery, Cosmetic Surgery National Data Bank, 2001 Statistics Treatment cost calculator Average retail estimate Insurance Company data	
Mammoplasty	\$ 8,003		
Muscle stimulators	\$ 450		
Office visit	\$ 128		
Other inpatient care (skilled nursing, rehabilitation)		Health Plan Trend Analysis, Insurance Company Most Markets - HMO/POS/PPPO Insured, 2001	Cost per day=\$430; Average LOS=15.9 days
Other professional services (chiropractic, acupuncture)	\$ 6,837		Average request for 12 visits (benefit maximum of 20 per year).
Other services (radiology, lab, other)	\$ 854	Insurance Company data	
Outpatient services	\$ 138	Insurance Company data	
Reconstruction/jaw	\$ 546	Insurance Company data	
Rhinoplasty, septoplasty	\$ 8,014	American Society of Cosmetic Surgery	1998 value, inflated to 2001 dollars
Speech, occupational or physical therapy	\$ 5,884	Treatment cost calculator	
	\$ 460	Treatment cost calculator	Assuming approximately 10 visits
Vein ligation	\$ 7,773	Insurance Company Most Market Data, AHQR Q401	Facility cost per admit of \$4,644. For surgical, assumption of ratio of 60:40 facility to professional fees.
Vein sclerotherapy	\$ 273	The American Society for Aesthetic Plastic Surgery, Cosmetic Surgery National Data Bank, 2001 Statistics Average retail price (3/4-wheel models)	Physician & surgeon fees from data source. No facility fees added as procedure is injection. Confirmed with data presented as national statistics for 2001 on <a href="http://www.infoplasticsurgery.com/cost.html">www.infoplasticsurgery.com/cost.html</a> .
Wheelchair, scooters	\$ 2,918		

Fig. 11

<b>Productivity and Revenue Impact</b>	
<b>Total Health Plan Enrollment</b>	16,000,000
<b>Patients Served</b>	
<i>Welcome Home!</i>	24,011
<i>Impact</i>	38,133
<i>Predictive Model</i>	54,101
<b>Total Patients Served</b>	116,245
<b>Patients with Saved Days by Intervention</b>	
<i>Welcome Home!</i>	39,618
<i>Impact</i>	62,539
<i>Predictive Model</i>	14,607
<b>Total Days Saved</b>	116,764
<b>Total Hours Saved</b>	
<i>Welcome Home!</i>	316,941
<i>Impact</i>	500,309
<i>Predictive Model</i>	116,859
<b>Total Hours Saved</b>	934,109
<b>Productivity (Wages &amp; Compensation) Saved</b>	
<i>Welcome Home!</i>	\$ 6,880,785
<i>Impact</i>	\$ 10,861,716
<i>Predictive Model</i>	\$ 2,537,006
<b>Total Productivity Saved</b>	\$ 20,279,507
<b>Revenue Gain</b>	
<i>Welcome Home!</i>	\$ 10,321,177
<i>Impact</i>	\$ 16,292,573
<i>Predictive Model</i>	\$ 3,805,509
<b>Total Revenue Gained</b>	\$ 30,419,260
<b>Total Savings</b>	\$ 50,698,767
<b>Total Monthly Savings</b>	\$ 4,224,897
<b>PMPM Savings</b>	\$ 0.26

Fig. 12

<b>Productivity &amp; Revenue Impact Data Elements</b>		
<b>Welcome Home!</b>		
<b>"How much do you agree or disagree that the assistance provided by the UnitedHealthcare nurse helped you return to work sooner?"</b>	<b>Percent Responding</b>	<b>Cummulative Total</b>
Default		33%
Strongly /Somewhat agree	33%	33%
Neither agree nor disagree	36%	
Strongly /Somewhat disagree	28%	
<b>Days Saved Per Person</b>		
Default		5
Option A: days saved=1		1
Option B: days saved=2		2
Option C: days saved=3		3
Option D: days saved=4		4
**Option E: days saved=5		5
Option F: days saved=6		6
<b>**Average saved as reported in 2002 survey.</b>		
<b>Hours Worked Per Day</b>	<b>Hours Per Week</b>	<b>Hours Per Day</b>
Default		8
Insurance company employment expectation	40	8
National Compensation Survey: Occupational Wages in the United States, 2000	35.8	7.16
<b>Compensation (wages plus benefit costs)</b>		
Default		\$ 21.71
News, United States Department of Labor, Bureau of Labor Statistics, Release Wednesday, June 19, 2002 "Employer Costs for Employee Compensation - March 2002":		
All private industries		\$ 21.71
Goods-producing: construction		\$ 25.35
Goods-producing: manufacturing		\$ 25.20
Service-producing: transportation and public utilities		\$ 29.65
Service-producing: wholesale trade		\$ 23.36
Service-producing: retail trade		\$ 11.79
Service-producing: finance, insurance, real estate		\$ 28.24
Service-producing: services		\$ 22.33
<b>Revenue Factor</b>		
Default		1.50

Fig. 13

## Reminder Program Summary

Total Health Plan Enrollment

16,000,000

		Annual Reminders by Disease Area	Annual Savings by Disease Area
Cervical Cancer		525,192	\$ 13,293,961
Diabetes		119,463	\$ 27,416,690
Mammograms		405,754	\$ 69,664,920
Immunizations		20,390	\$ 1,953,722
Influenza Vaccine		292,943	\$ 97,130,422
Total Number of Reminders - All Disease Areas		1,363,742	
Total Savings - All Disease Areas			\$ 209,459,715
Total Monthly Savings - All Disease Areas			\$ 17,454,976

PMPM Savings for Reminder Program - All Areas

\$ 1.09

Fig. 14

## Reminder Program: Cervical Cancer

Number of members eligible for PAP smear	1,780,311
Percent of members screened through routine care	0.705
Number of members screened through routine care	1,255,119
Percent of unscreened members contacted through reminder program	0.295
Number of unscreened members contacted through reminder program	525,192

Assumptions	
Percent of all members that will develop cervical cancer. Assumes risk is equal in screened and unscreened populations.	0.055
Average years of life left for woman aged 50. Assumes average age of woman with cervical cancer is 50.	32.5
Average cost for early stage cervical cancer per person	\$857
Average cost for advanced stage cervical cancer per person	\$24,228
Success rate of reminder program	0.640

Cost With No Intervention	
Number of unscreened members	525,192
Number of unscreened members that will develop cervical cancer	28,886
Cost of late-stage cervical cancer in unscreened population. Assumes all unscreened cases are late stage.	\$699,838,877

Cost With Intervention	
Number of unscreened members	525,192
Number of unscreened members getting screened following reminder	336,123
Number of newly screened members that will develop cervical cancer	18,487
Cost of early stage cervical cancer in screened population. Assumes all members receiving reminder will have PAP while in early stage.	\$15,843,141
Number of unscreened members	525,192
Number of unscreened members ignoring reminder	189,069
Number of unscreened members that will develop cervical cancer	10,399
Cost of late-stage cervical cancer in unscreened population. Assumes all unscreened cases are late stage.	\$251,941,996
Total cost of cervical cancer after reminder mailed	\$267,785,137

Savings From Reminder Program over Lifetime	\$432,053,740
Annual Savings From Reminder Program*	\$13,293,961

\*Assumes life expectancy is 32 years for average aged woman receiving PAP.

FIG. 15